

## Fiscal Highlights

### \$119 m in Future Buildings "Phase" Funded - Mark Bleazard

A new law improves financial management for state buildings by recognizing the full cost of a facility before authorizing its construction. However, "phased" funding of some buildings still presents a risk.

The 2013 Legislature appropriated state funds totaling \$95.3 million for FY 2014 capital development projects. In addition, it authorized \$132.8 million for FY 2014 non-state funded capital development projects. Both state funded and non-state funded projects lists are shown below.

<b>FY 2014 Capital Development Projects</b>	
<b><i>State Funded</i></b>	
DHS State Hospital	\$5,000,000
Ogden Juvenile Courts	29,300,000
UVU Classroom Building	54,000,000
Unified State Lab Module 2 (Design)	2,000,000
WSU Science Building (Design)	3,500,000
USU Eastern - Central Instructional (Planning)	500,000
USU Brigham City Campus (Planning)	500,000
Dixie East Elementary Purchase (Planning)	500,000
<b><i>State Funded Total</i></b>	<b>\$95,300,000</b>
<b><i>Non-State Funded</i></b>	
USU Aggie Life & Wellness Center	\$30,000,000
USU Blanding Recreation Center	900,000
USU Space Dynamics Laboratory	20,532,000
USU Athletic Complex/Training Center	7,500,000
USU Science & Technology - Tooele Campus	8,000,000
UofU Basketball Training Center-HPER Addition	23,600,000
UofU Kennecott Building Renovation - Phase II	11,040,000
SUU Center for the Arts	30,000,000
DPS Communications & Driver License - Price	1,277,000
<b><i>Non-State Funded Total</i></b>	<b>\$132,849,000</b>
<b>Grand Total</b>	<b>\$228,149,000</b>

During the 2013 General Session, the Legislature enacted S.B. 278 that amends UCA 63A-5-104 to add the following new text: If construction of a new building or facility will be paid for by non-state funds, but will require an immediate or future increase in state funding for operations and maintenance or for capital improvements, the Legislature may not authorize the new building or facility until the Legislature appropriates funds for:

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(a) the portion of operations and maintenance, if any, that will require an immediate or future increase in state funding; and

(b) the portion of capital improvements, if any, that will require an immediate or future increase in state funding.

(7) (a) Except as provided in Subsection (7)(b) or (c), the Legislature may not fund the design or construction of any new capital development projects, except to complete the funding of projects for which partial funding has been previously provided, until the Legislature has appropriated 1.1% of the replacement cost of existing state facilities to capital improvements.

These amendments to the code will eliminate the dilemma of how to get funding for operations and maintenance and capital improvements for non-state funded buildings or facilities after they are constructed. The legislation also amended the code to require ongoing capital improvements funding to be appropriated in concert with approval and funding for state funded capital development projects.

The appropriations for the last five projects listed under "State Funded" category in the figure below represent funds for planning or design of the named building or facility. Estimated expenditures to complete those five projects (for a total additional cost of \$118.5 million) are as follows:

- Unified Lab Module 2: \$33.6 million;
- WSU New Science Building: \$57.4 million;
- USU EasternCentral Instructional Building: \$19.5 million;
- USU Brigham City Campus: \$7.0 million; and
- Dixie East Elementary Purchase: \$1.0 million.

Future occupants of those facilities are likely anticipating those projects will get preference in the appropriations process during the next general session. However, it is not clear whether any funding for capital development will be available next year, nor is it clear that these projects will be prioritized by the State Building Board.